

## Message Text

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C O N F I D E N T I A L JERUSALEM 367

EXDIS

E. O. 11652: GDS

TAGS: PINT, PFOR, JO, IS.

SUBJ: ISRAELI PRIVATE LAND PURCHASE ON WEST BANK

SUMMARY: RETENTION OF PROHIBITION ON PRIVATE ISRAELI LAND PURCHASES ON WEST BANK HAS FORESTALLED DESTABILIZING MOVE AND HAS REDUCED TENSIONS AMONG WEST BANK ARABS. PROCESS CONTINUES, NEVERTHELESS, BY WHICH WEST BANK IS BEING LINKED MORE CLOSELY TO ISRAEL AND BEING GIVEN ISRAELI COLORATION. WE HAVE SENSED NO SPEED- UP IN PROCESS, BUT SO LONG AS OCCUPATION CONTINUES PROCESS WILL CONTINUE. IN PART, IT IS NOT UNDER ISRAELI CONTROL, BEING FORM OF ACCELERATED MODERNIZATION UNDER IMPACT OF OCCUPATION.

OFFICIAL ENCROACHMENTS ON LAND, WHICH ISRAEL THEORETICALLY COULD CONTROL, ARE NEARLY INEVITABLE IN SITUATION OF OPEN- ENDED OCCUPATION. US CAN BEST ACT TO KEEP PROCESS IN SOME SORT OF BOUNDS BY WELL- TARGETED APPROACHES IN PARTICULAR CASES AS IN INSTANCE OF PRIVATE LAND PURCHASE PROPOSAL. END SUMMARY.

1. GOI APRILIII CABINET DECISION TO RETAIN PROHIBITION ON PRIVATE LAND PURCHASES BY ISRAELIS ON WEST BANK HAS PRESERVED PRESENT GROUND RULES GOVERNING GROWTH OF WEST BANK- ISRAELI RELATIONSHIP. IT FORECLOSES, AT LEAST FOR TIME BEING, PROSPECT OF DRAMATIC SPEED UP IN ISRAELI PENETRATION OF AREA, AND FOR THIS REASON DECISION HAS REDUCED TENSIONS AMONG WEST BANK ARABS.

2. THIS IS NOT AT ALL THE SAME THING, HOWEVER, AS SAYING ISRAELI- WEST BANK RELATIONSHIP WILL REMAIN STATIC. IN ITS  
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SIX YEARS IT HAS DEVELOPED ITS OWN DYNAMIC AND MOMENTUM AND COULD NOT BE FROZEN OR REVERSED EVEN IF ISRAELIS WILLING TO DO SO. CASE CAN BE MADE, IN FACT, THAT IT SHOULD NOT BE FROZEN, SINCE WHAT IS TAKING PLACE IS IN PART MODERNIZATION OF WEST BANK SOCIETY WHICH IS ACCELERATED AND CONDITIONED BY ISRAELI OCCUPATION BUT WHICH WOULD OCCUR IN ANY CASE OVER LONGER PERIOD. PEOPLE ARE LEAVING LAND AND GOING TO TOWNS, MANY THOUSANDS ARE WORKING IN ISRAEL, MORE MONEY IS BEING MADE, TO SOME EXTENT MONEY IS GOING TO DIFFERENT PEOPLE, NEW CONSUMPTION PATTERNS ARE FORMING, ETC. SUCH COMPLEX PROCESS INEVITABLY INVOLVES GOVERNMENTAL MINISTRATIONS, AND ISRAEL IS ALL THE GOVERNMENT THERE IS FOR TIME BEING.

3. SOME THINGS ISRAELIS COULD STOP IF THEY WISHED. LAND EXPROPRIATION, FOUNDING OF SETTLEMENTS, ETC., ARE MAJOR EXAMPLES. THIS POSSIBILITY IS PROBABLY MORE THEORETICAL THAN REAL, HOWEVER. OPEN- ENDED CHARACTER OF OCCUPATION AND CONTINUED SOCIAL AND ECONOMIC STITCHING TOGETHER OF ISRAEL AND WEST BANK CREATE SITUATION IN WHICH ISRAELIS INEVITABLY COME TO VIEW AREA MORE AND MORE AS THEIR TERRITORY WHICH THEY CAN TURN TO THEIR OWN USES. WE FORESEE CONTINUED UNDER- THE- TABLE LAND PURCHASES MADE IN HOPE OF ULTIMATE CHANGE IN RULES, ESTABLISHMENT OF ADDITIONAL SETTLEMENTS, ADDITIONAL JOINT ARAB- ISRAELI ECONOMIC ENTERPRISES, ETC.

4. WE DO NOT HAVE FEELING, THOUGH, THAT THIS PROCESS IS SPEEDING UP OR PEAKING. IT IS INEXORABLE BUT RELATIVELY STEADYING IN ITS PACE. IMPRESSION THAT GOI HAS SPEEDED UP INCURSIONS INTO WEST BANK SINCE KING' S WASHINGTON VISIT ( AMMAN 1793) IS MORE APPARENT THAN REAL, PARTICULARLY SINCE PRIVATE LAND PURCHASES PROPOSAL HAS BEEN TURNED BACK. IMPLE- MENTATION OF WEST BANK HEALTH PROGRAM IS SORT OF SOCIAL WELFARE MEASURE THAT HAS BEEN IN WIND FOR SOME TIME, AND THERE MAY BE MORE. EAST JERUSALEM TAX INCREASES ( AIRGRAM BEING POUCHED) IS PROBLEM OF LONG STANDING WITH ROOTS IN IMMEDIATE POST- WAR PERIOD. THERE ARE NEW SETTLEMENTS AND ROADS BEING BUILD ON WEST BANK, BUT WE SEE NO RECENT ACCELERATION. RAMPANT INFLATION, WHICH IS EATING INTO MUCH TALKED ABOUT PROSPERITY AND WHICH NO DOUBT ENHANCES ARAB READINESS TO SELL LAND OR WORK IN ISRAEL, IS MAINLY EXTENSION OF ISRAEL' S OWN INFLATION.

5. IT IS LIKELY THAT, AS PROCESS CONTINUES WITHOUT EVIDENT  
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PROSPECT FOR SETTLEMENT, SOME ARABS WILL LEAVE WEST BANK ( ASD INDEED THEY HAVE BEEN DOING FOR DECADES). ANWAR NUSEIBEH TOLD US THIS MORNING HE UNDERSTOOD SOME 20 MILLION DINARS OF CAPITAL HAD BEEN TRANSFERRED FROM WEST BANK TO JORDAN OVER PAST YEAR OR SO. SOME WILL NO DOUBT FOLLOW THEIR CAPITAL. SO LONG AS THERE IS PRESENT DEGREE OF PROSPERITY ON WEST BANK, HOWEVER, AND AN ABSENCE OF SUDDEN DESTABILIZING MOVE SUCH AS PERMISSION FOR PRIVATE ISRAELIS TO BUY UP ARAB LAND, WE DO NOT FORESEE SIGNIFICANT EXODUS OF ARABS FROM AREA.

6. COMMENT: ALL THIS IS TO SAY THAT SO LONG AS OCCUPATION CONTINUES, WEST BANK WILL INCREASINGLY TAKE ON ISRAELI COLORATION. ONLY WAY TO STOP THIS PROCESS IS TO MAKE SETTLEMENT. WEST BANK ARABS HAVE TOLD US THIS OVER AND OVER, MOST RECENTLY ANWAR NESEIBEH THIS MORNING. SISCO APPROACH TO DINITZ WAS EXCELLENT AND TIMELY MOVE SINCE IT HELPED FORESTALL STEP WHICH WOULD HAVE INTRODUCED SERIOUSLY DESTABILIZING ELEMENT INTO THIS STEADY PROCESS. IF OCCASION AFFORDS, WE SHOULD MAKE SIMILARLY WELL-TARGETED EFFORTS TO FORESTALL PARTICULAR ISRAELI ENCROACHMENTS ON ARAB LAND. BEYOND THAT, WE SEE LITTLE PURPOSE IN GENERAL APPEALS TO STEM PROCESS THAT IS GOING ON.

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